Washington Higher Education Coordinating Board

MASTER PLAN 2004/HIGHER EDUCATION FUNDING DISCUSSION PAPER

October 2002

Enrollments

1. Publicly funded enrollments in Washington's public institutions of higher education totaled 221,931 FTE students in the 2001-02 academic year (87,969 at the four-year institutions and 133,962 at the community and technical colleges).

2. Budgeted enrollments came to 209,605 FTE students in 2001-02 (84,523 at the four-year institutions and 125,082 at the community and technical colleges).

3. Actual enrollments exceeded budgeted enrollments in 2001-02 by 12,326 FTE students (3,446 at the four-year institutions and 8,880 at the community and technical colleges).

4. Budgeted enrollments in 2002-03 total 213,512 FTE students, some 8,419 less than actual enrollments in 2001-02.

5. Pressure for higher education enrollments will continue to be strong through 2010 as the prime college-age population (ages 17-29) is expected to grow 15%.

6. To maintain the current participation rates at the public two-year and four-year institutions, enrollment in 2009-10 would need to be 242,400, an increase of nearly 28,000 from the 2002-03 budgeted enrollments (based on a projection made by the Office of Financial Management (OFM) in November 2000 which will be updated in November 2002).

7. To reach the HECB 2000 Master Plan FTE enrollment goal (upper-division participation at the national average and lower-division at the current state participation rate) would require a total public enrollment of 261,000 by 2009-10, an increase of nearly 48,000 from 2002-03 budgeted enrollments.

Public funding of institutions per student

8. Public higher education institutions generally receive funding for instructional operating costs from two sources: state government (and sometimes local government) appropriations and tuition from students. State appropriations for higher education include both monies directly appropriated to the institutions and monies appropriated for financial aid for students. From the perspective of the institutions, financial aid is an offset against tuition collections.

9. On a per student basis, average state appropriations (biennial basis) per budgeted FTE student at the public four-year institutions declined 9% (after adjusting for inflation) from 1991-93 to 2001-03 (from $9,210 to $8,344 in 2001-03 dollars). Average state appropriations per budgeted FTE student at the community and technical colleges stayed relatively flat (from $4,071 to $4,136 in 2001-03 dollars). These amounts do not include state appropriations for financial aid.

10. The decline in state spending per student is more dramatic when looking at individual institutions by year:

Change in Average State Appropriations Per Budgeted FTE Student State General Fund Adjusted for Inflation		
	10 Years 1992-93 to 2002-03	1 Year 2001-02 to 2002-03
University of Washington	-11.5%	-6.5%
Washington State University	-12.2%	-6.5%
Central Washington University	-16.5%	-8.3%
Eastern Washington University	-17.0%	-7.1%
The Evergreen State College	-24.8%	-8.6%
Western Washington University	-11.2%	-6.4%
Community and Technical Colleges	0.8%	-1.0%

11. State and local government funding per student in Washington is less than at comparable institutions in other states:

State And Local Government Appropriations per Fall FTE Student 2000-01		
	Washington Institution	Peer Average*
University of Washington	$9,223	$12,148
Washington State University	$9,737	$11,077
Comprehensive Institutions**	$5,350	$ 6,254
Community and Technical Colleges	$4,123	$ 5,296

* See Appendix 2 for a description of the peer groups.

** The four comprehensive institutions vary widely in their appropriations per student.

Tuition

12. Increases in tuition have outpaced per capita income and inflation. From 1991-92 to 2002-03 the "sticker price" tuition and fees (operating fee, building fee, and services and activities fee) for a resident undergraduate at a public research university increased 106%

(not adjusted for inflation). Per capita personal income in Washington increased 54%. Inflation (as measured by the implicit price deflator) was 25%.

13. Tuition is paying for an increasing share of the cost of public higher education instruction. In 1992-93, resident undergraduate tuition (operating fee and building fee) equaled 33% of the undergraduate cost of instruction at the research universities; 25% at the comprehensive institutions; and 23% at the community and technical colleges. Preliminary numbers for 2002-03 indicate that the percentages have increased to 47% at the research universities; 35% at the comprehensive institutions; and 32% at the community and technical colleges.

Financial aid

14. State appropriations for financial aid programs increased 176% ($168 million) from 1991-93 to 2001-03 after adjusting for inflation. The appropriations for the financial aid programs and the HECB went from $96 million (in 2001-03 dollars) to $264 million.

15. The State Need Grant program is the largest of the state financial aid programs. The Board's goals are to service needy students with incomes at or below 65% of the state's median family income with an award equal to resident undergraduate tuition and fees in each of the public sectors. For 2002-03, the effective income cutoff (for a family of four) is $35,000 which is 55% of the state's median family income. The award is equal to 84% of tuition at the research universities; 88% of tuition at the comprehensive institutions; and 96% of tuition at the community and technical colleges.

16. The Promise Scholarship program provides two-year grants for outstanding high school graduates from low- and middle-income families who attend a college or university in Washington. The maximum authorized award is equal the current tuition at a community college. For 2002-03, the prorated maximum award is $948 or 48% of the current community college tuition.

GOALS

What should Washington State be attempting to accomplish in higher education in the face of what appears to be a long-term funding/revenue problem? What kind of public higher education system do we want and can we afford in the 21st century?

Funding

The 1987 Master Plan ("Building a System …to be among the best…") included a goal to "achieve a system of higher education that is one of the five best in the nation." The approach to funding was a goal for funding institutions in the state of Washington at least at the average per-student support of their peers (to be phased-in over three biennia). Once this was achieved,

quality was to be protected by requiring enrollment reductions if state funding fell below the standard.

By 1988, the HECB had revisited this issue and adopted a new funding goal for Washington institutions to achieve the 75th percentile level of the comparison groups over four biennia beginning in 1989-91.

And a 1992 update of the Master Plan ("A Commitment to Opportunity") commented that "Funding remains the unsolved challenge from the 1987 Master Plan…" It went on to state that while the Legislature did not adopt the funding formula, it did provide financial stability for post-secondary education during the 1989-91 biennium by funding progress toward reaching the 75th percentile goal and enhancements for educational quality. But, those gains were reduced in 1992 when the Legislature cut general fund support for institutional operating budgets and maintained enrollment levels.

Enrollments

In the 1990 "Design for the 21st Century: Expanding Higher Education Opportunity in Washington," the HECB developed a 20 year state enrollment policy. The long-range, state-wide enrollment goal was to achieve by the year 2010 the 70th percentile in national average participation rates for upper division and graduate levels. When combined with lower-division growth at the community colleges and increased transfer activity, this goal would achieve the 90th percentile system-wide.

With the 1996 Master Plan ("The Challenge for Higher Education"), the Board again endorsed the long-term enrollment goal to achieve, statewide, a level of upper-division and graduate/ professional enrollment equal to the 70th percentile when compared nationally. The Board extended the timeframe for reaching this goal to the year 2020. The Board endorsed increases in lower-division enrollment that would keep pace with the growing population at the current rate of participation. Again, when meeting these goals enrollment for the system as a whole would approach the 90th percentile when compared nationally. Two phases were recommended to attain the enrollment goal. In Phase One, the upper-division and graduate/professional access would increase to a level equivalent to the national participation rate by the year 2010. In Phase Two (2010-2020), upper-division and graduate/professional access would continue growth to attain the 70th percentile.

The 2000 Master Plan reiterated the full commitment of the HECB to the fundamental goal of sustaining and enhancing the state's commitment to higher education opportunity by reaffirming the policy goal of providing to state residents the opportunity for a college education. It requested the state to fund an additional 52,500 students at public colleges and universities by 2010 (over 2000-01). This request was based on maintaining the current (1998) participation rate for the lower-division and increasing the upper-division rate to the national average by 2010.

"Sizing the Problem"

2003-05 Biennium
Dollars in Millions

Revenues:

2003-05 Revenue Forecast (September 2002)	$22,700
12.2 Percent	$2,769

Expenditures:

Higher Education Budget Requests		Amount Over 2001-03
Current 2001-03 Biennium	$2,734	
2003-05 Maintenance Level	$2,751	$17
Policy Adds (priced)		
Enrollments	$124	
Core funding (UW and WSU)	$96	
Part-time faculty salaries (CTC)	$20	
Financial aid (HECB)	$20	
Other	$35	
Subtotal Budget Requests	$295	$312
Unpriced Policy Adds		
Faculty Salaries	$80	
At the comprehensives and the SBCTC; faculty salaries for the research universities are included in the core funding proposal; assumes COLAs of 2.1%/2.4% plus recruitment and retention funds of 3% each year		
Financial Aid	$27	
Assumes annual tuition increases of 6.75% and 6.75% in the 2003-05 biennium		
Total request 2003-05	$3,153	$419

2003-05 Institutional and HECB Budgets Based on Benchmarks and Board Policies		
Additional enrollments to maintain participation rates	$204	$204
Maintain current service levels (Fall 2000 participation rate) plus providing targeted expansions in workforce training and high-demand fields - adds 15,571 FTE students by FY 2005		
Current enrollments funded at benchmarks	$3,267	$797
Budgeted 2002-03 enrollments funded at the peer averages beginning 2003-04		
Financial aid funding at HECB policy levels	$367	$103
Full funding of the financial aid programs including the State Need Grant awards to cover the full cost of tuition and serving students up to 65% of the state's median family income and the Promise Scholarship award equal to the full CTC tuition		
Total Operating Budget	$3,838	$1,104

Appendix 1: NEEDS ASSESSMENT

Benchmarks

- **State budget comparison (state general fund, adjusted for inflation)**

1. The share of the Washington state general fund budget going to higher education went from 12.6% ($2.3 billion in 2001-03 dollars) in 1991-93 to 12.2% ($2.7 billion in 2001-03 dollars) in 2001-03. (Note: Tuition revenues go directly to the institutions; they are not part of the state general fund support for higher education.)

2. The entire general fund budget in 2001-03 is $22.5 billion.

3. The share of the state budget going to higher education reached a low in 1995-97 at 11.1%.

4. The state's general fund budget grew $4.2 billion (in 2001-03 dollars) from 1991-93 to 2001-03.

5. The major growth areas in the state budget from 1991-93 to 2001-03 have been medical assistance and long-term care ($1.4 billion in 2001-03 dollars) and public schools ($1.3 billion in 2001-03 dollars).

6. Bond retirement grew $568 million (2001-03 dollars) and corrections grew $462 million (2001-03 dollars).

7. The higher education budget grew $440 million (2001-03 dollars) from 1991-93 to 2001-03.

8. During this period the entire budget grew 23% (adjusted for inflation). Higher education grew 19% while public schools grew 15%. Medical assistance and long-term care grew 73%; corrections grew 76%; and bond retirement grew 83%.

- **Higher education operating budget (state general fund; adjusted for inflation)**

9. Public higher education institutions generally receive funding for instructional operating costs from two sources: state government (and sometimes local government) appropriations and tuition from students. State appropriations for higher education include both monies directly appropriated to the institutions and monies appropriated for financial aid for students. From the perspective of the institutions, financial aid is an offset against tuition collections.

10. The Washington state general fund higher education budget grew from $2.289 billion in 1991-93 to $2.729 billion in 2001-03 (adjusted for inflation). (This amount does not include tuition revenues.)

11. Of the $440 million in growth, nearly half ($203 million) was for the community and technical colleges; over one-third ($168 million) was for financial aid; and the remainder ($69 million) was for the four-year institutions.

12. Total state support for financial aid budget grew 176% (adjusted for inflation) while state support for the community and technical colleges grew 24% and state support for the four-year institutions grew 5%. (Overall, the state general fund higher education budget grew 19% and the entire state budget grew 23%.)

- **State support of institutions per student**

13. On a per student basis, average state appropriations (biennial basis) per budgeted FTE student at the public four-year institutions declined 9% (after adjusting for inflation) from 1991-93 to 2001-03 (from $9,210 to $8,344 in 2001-03 dollars). Average state appropriations per budgeted FTE student at the community and technical colleges stayed relatively flat (from $4,071 to $4,136 in 2001-03 dollars). These amounts do not include state appropriations for financial aid.

14. See Table 1 for annual data by institution (page 11).

15. State and local government funding per student in Washington is less than at comparable institutions in other states. See Chart 1 (page 12).

- **Tuition**

16. Average tuition collections (operating fees only) per FTE student increased 49% at the four-year institutions ($2,393 to $3,573 in 2001-03 dollars) from 1991-93 to 2001-03. Average tuition collections per FTE student increased 78% at the community and technical colleges (from $678 to $1,208 in 2001-03 dollars) during this time.

17. Increases in tuition have outpaced per capita income and inflation. From 1991-92 to 2002-03, the “sticker price” tuition and fees (operating fee, building fee, and services and activities fee) for a resident undergraduate at a public research university increased 106% (not adjusted for inflation). Per capita personal income in Washington increased 54%. Inflation (as measured by the implicit price deflator) was 25%.

18. Tuition is paying for an increasing share of the cost of public higher education instruction. In 1992-93, resident undergraduate tuition (operating fee and building fee) equaled 33% of the undergraduate cost of instruction at the research universities; 25% at the comprehensive institutions; and 23% at the community and technical colleges.

Preliminary numbers for 2002-03 indicate that the percentages have increased to 47% at the research universities; 35% at the comprehensive institutions; and 32% at the community and technical colleges.

19. Shifting the burden from state support to students and families has resulted in slightly increased revenues per student from 1991-93 to 2001-03. Average state support (#13) plus tuition collections (#16) per FTE student went from $11,602 to $11,917 (2001-03 dollars) at the public four-year institutions. At the community and technical colleges, the combined state support and tuition collections increased from $4,749 to $5,343 (2001-03 dollars).

- **Enrollments**

20. Publicly funded enrollments in Washington's public institutions of higher education totaled 221,931 FTE students in the 2001-02 academic year (87,969 at the four-year institutions and 133,962 at the community and technical colleges).

21. Budgeted enrollments came to 209,605 FTE students in 2001-02 (84,523 at the four-year institutions and 125,082 at the community and technical colleges).

22. Actual enrollments exceeded budgeted enrollments in 2001-02 by 12,326 FTE students (3,446 at the four-year institutions and 8,880 at the community and technical colleges).

23. Budgeted enrollments in 2002-03 total 213,512 FTE students, some 8,419 less than actual enrollments in 2001-02.

24. Pressure for higher education enrollments will continue to be strong through 2010 as the prime college-age population (ages 17-29) is expected to grow 15%.

25. To maintain the current participation rates at the public two-year and four-year institutions, enrollment in 2009-10 would need to be 242,400, an increase of nearly 28,000 from the 2002-03 budgeted enrollments (based on a projection made by OFM in November 2000 which will be updated in November 2002).

26. To reach the HECB 2000 Master Plan FTE enrollment goal (upper-division participation at the national average and lower-division at the current state participation rate) would require a total public enrollment of 261,000 by 2009-10, an increase of nearly 48,000 from 2002-03 budgeted enrollments.

- **Faculty positions**

27. Faculty salaries at Washington's public institutions are less than at comparable institutions in other states. See Chart 2 (page 13).

28. At the public four-year universities, the number of full-time instructional faculty has increased by 171 positions from 1991-92 to 2001-02. During this time, the number of full and associate professors has declined (118 and 100 positions, respectively), while the number of lesser ranked faculty has increased.

29. At the public four-year universities, the student to faculty ratio has increased over the last 10 years (from 1991-92 to 2001-02). At the research universities, the student to full-time instruction faculty ratio went from 16.3 to 18.2. At the comprehensive institutions, the ratio went from 21.3 to 24.2.

30. Teaching faculty at the community and technical colleges are becoming more part-time. In 1995-96, state supported part-time teaching faculty comprised 37% of the total teaching faculty; in 2000-01, they were 40%.

- **Comparisons to other states**

31. When compared to the other states, Washington fell from the middle (25^{th}) to 34^{th} in state and local government appropriations for higher education per $1,000 of personal income in the state. In 1992-93, Washington appropriated $9.75 to higher education per $1,000 of personal income; by 2000-01 this had fallen to $7.14. The median state in 1992-93 appropriated $9.66 and the median state in 2000-01 appropriated $8.04 per $1,000 of personal income.

32. In proportion to the size of its economy, Washington spends less on higher education than a number of other states such as Oregon, California, Idaho, Wisconsin, Michigan, Minnesota, North Carolina, Utah, and Texas.

33. In state and local government spending on higher education per capita, Washington ranked 18^{th} among the states in 1992-93 and 26^{th} in 2000-01. Washington ranked 14^{th} in per capita income in 1992 and 11^{th} in 2000.

34. Tuition and fees ("sticker price") at Washington's research universities increased 50% (after adjusting for inflation) from 1991-92 to 2001-02. Washington was at the national median in 1991-92 and slightly above it in 2001-02.

35. At the comprehensive universities, tuition and fees increased 49% (after adjusting for inflation) from 1991-92 to 2001-02, staying just below the median state.

36. Tuition and fees at the community colleges increased 51% (after adjusting for inflation), staying at the national median in both 1991-92 and 2001-02.

- **Degree production**

37. The number of Washington residents age 25 and older with a Bachelor's degree increased by 345,000 between the 1990 and 2000 Census's. Washington's institutions of higher education (both public and private) produced 220,000 BA degrees during this time (64% of the increase). The net in-migration of BA degrees was 125,000 (36%).

38. In 2000, some 24,000 Bachelor's degrees were granted in Washington – 18,200 (76%) by public institutions and 5,800 (24%) by private institutions.

2003-05 Budget Outlook

39. The revenue forecast for the state's general fund for the 2003-05 biennium is $22.7 billion. (This is only $200 million higher than the current 2001-03 operating budget.) The preliminary expenditure estimate for the 2003-05 biennium is $24.7 billion. The overall funding gap is $2.0 billion.

40. The Health Services Account has a predicted deficit of $550 million in the 2003-05 biennium. This plus the general fund funding gap total $2.6 billion.

41. Faced with budget deficits, budget writers have three options: (1) adopt tax increases; (2) eliminate or greatly reduce state programs; or (3) some combination of (1) and (2)

Table 1: Average State Appropriations Per Budgeted FTE Student
State General Fund
1991-92 to 2002-03

Current Dollars (not adjusted for inflation)

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
University of Washington-All Campuses	$8,512	$8,836	$8,191	$7,943	$8,211	$8,233	$8,631	$8,854	$9,294	$9,681	$9,934	$9,497
Washington State University-All Campuses	$8,988	$9,234	$8,589	$8,269	$8,465	$8,313	$8,854	$8,807	$9,391	$9,922	$10,289	$9,841
Central Washington University	$5,099	$5,474	$4,795	$5,017	$4,874	$5,009	$5,070	$5,259	$5,493	$5,634	$5,910	$5,546
Eastern Washington University	$5,103	$5,414	$4,895	$4,828	$4,883	$4,880	$5,064	$5,098	$5,384	$5,591	$5,738	$5,454
The Evergreen State College	$5,924	$6,908	$5,532	$5,898	$5,636	$5,707	$5,861	$5,740	$6,154	$6,698	$6,746	$6,304
Western Washington University	$4,796	$4,832	$4,513	$4,222	$4,486	$4,565	$4,695	$4,716	$5,014	$5,217	$5,442	$5,210
Community and Technical Colleges	$3,292	$3,399	$3,118	$3,248	$3,092	$3,156	$3,293	$3,546	$3,779	$3,957	$4,110	$4,161

Constant Dollars (adjusted for inflation; in FY2003 dollars)

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
University of Washington-All Campuses	$10,618	$10,726	$9,746	$9,233	$9,349	$9,173	$9,485	$9,611	$9,869	$10,032	$10,161	$9,497
Washington State University-All Campuses	$11,211	$11,210	$10,219	$9,612	$9,638	$9,263	$9,730	$9,560	$9,973	$10,282	$10,524	$9,841
Central Washington University	$6,360	$6,644	$5,706	$5,832	$5,549	$5,581	$5,572	$5,709	$5,833	$5,838	$6,045	$5,546
Eastern Washington University	$6,365	$6,572	$5,825	$5,612	$5,559	$5,438	$5,565	$5,534	$5,718	$5,794	$5,869	$5,454
The Evergreen State College	$7,389	$8,386	$6,582	$6,856	$6,417	$6,359	$6,441	$6,232	$6,535	$6,941	$6,900	$6,304
Western Washington University	$5,983	$5,866	$5,369	$4,908	$5,108	$5,087	$5,160	$5,120	$5,325	$5,407	$5,566	$5,210
Community and Technical Colleges	$4,106	$4,126	$3,710	$3,776	$3,520	$3,516	$3,619	$3,850	$4,013	$4,101	$4,204	$4,161

Chart 1: State and Local Appropriations per FTE Student FY 2001

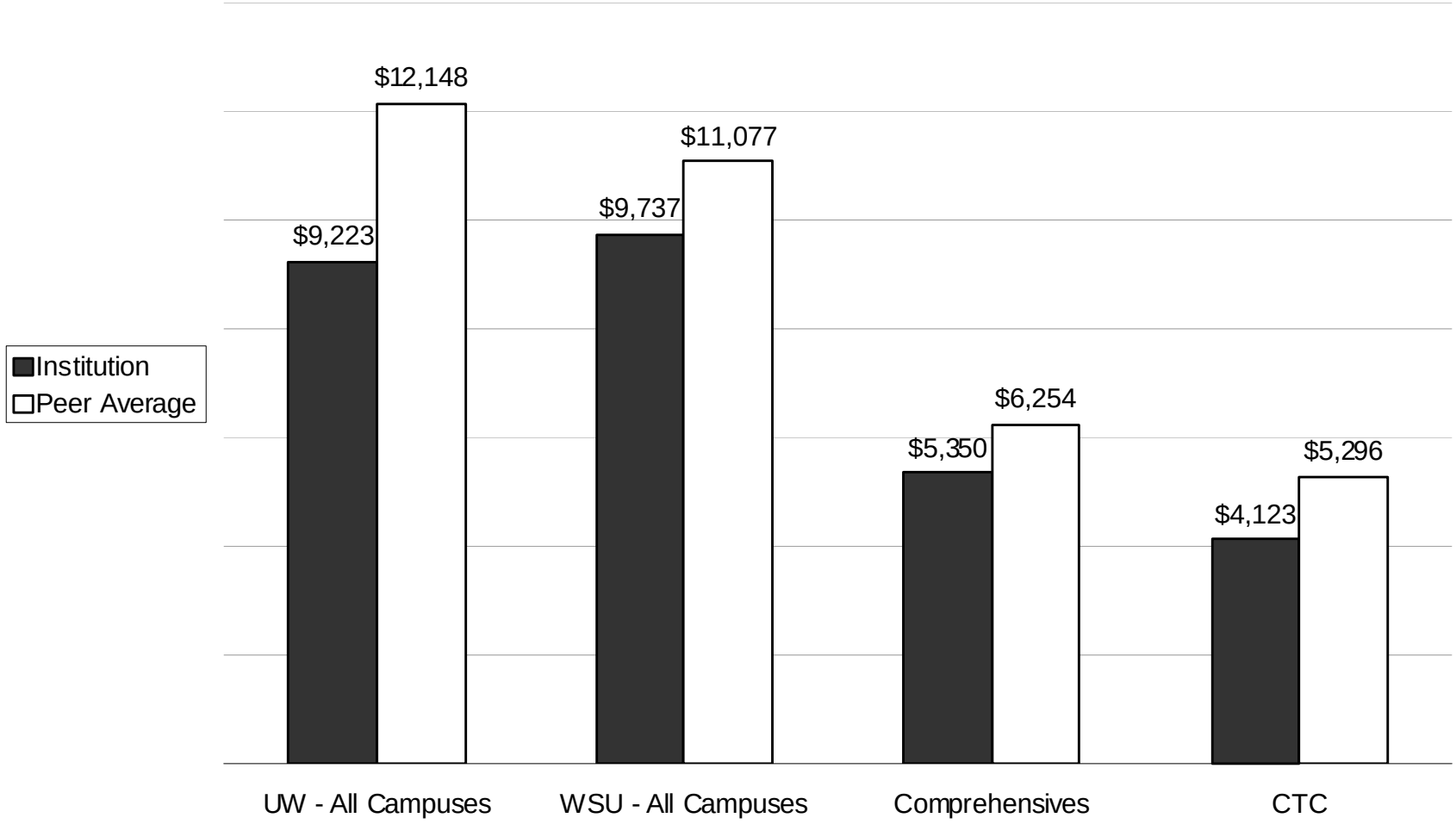
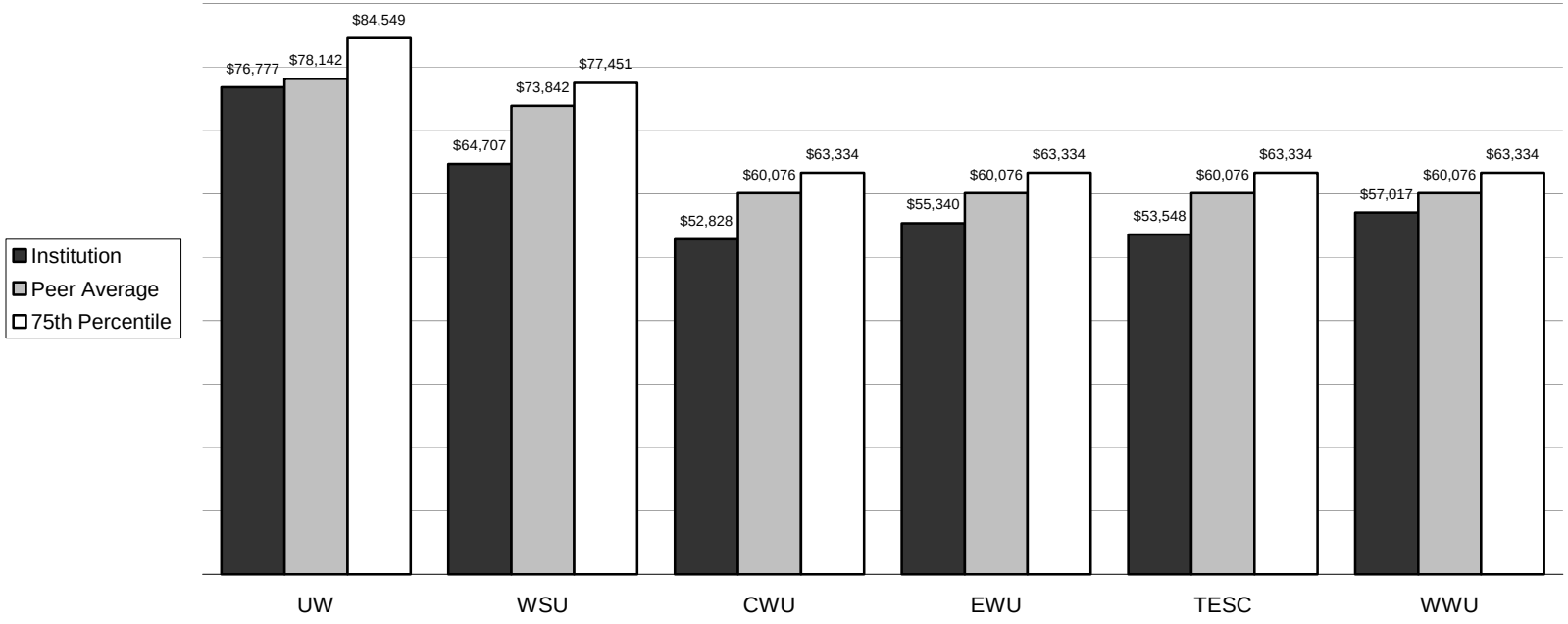


Chart 2: Average Faculty Salaries
Washington Institution Compared to Their Peers
2001-02



Appendix 2: PEERS

- National peer groups offer a standard by which to compare higher education institutions in Washington to other institutions in a variety of ways, and have been used at least since 1984.

- In 1988, legislative concerns were expressed over the narrowness of the lists at that time (7 or 8 institutions for each peer group). The Special Joint Study Group (JSG) on Higher Education was formed and composed of members of both houses of the Legislature, the Executive branch and the HECB. The Group was established to review a new funding approach for higher education that was proposed in the HECB's 1987 Master Plan and address related matters.

  - The JSG endorsed new groups of comparison institutions reflecting a national perspective and recommended the use of the new peer groups as external benchmarks for measuring the adequacy of financial support for higher education.
  - The JSG also established a funding goal for Washington institutions to achieve the 75th percentile level of the comparison groups over four biennia beginning in 1989-91.
  - Concurrent with the actions of the Joint Study Group, the HECB adopted the new set of institutional comparison groups and adopted the 75th percentile for these groups as the funding goal for Washington institutions.

- The criteria used to establish the peer groups reflect a national perspective. The peer groups include institutions that are similar in size, program offerings, student mix, and research orientation. More specifically, the Carnegie Commission's classification of institutions is used as the basis for selecting comparison groups for Washington institutions of higher education (peer group numbers exclude Washington institutions).

  - The national comparison group for the University of Washington is all public institutions in the Carnegie classification Research Universities category 1 with medical schools (24 institutions). (Note: For the purposes of the analysis in this discussion paper Cornell University was excluded.)
  - The national comparison group for Washington State University is all public land grant universities in the Carnegie Research Universities categories 1 and 2 with veterinary schools (22 institutions). (Note: For the purposes of the analysis in this discussion paper Cornell University was excluded.)
  - The national comparison group for Central, Eastern, and Western Washington Universities (and for the purposes of this discussion paper, The Evergreen State College) is all public institutions in the Carnegie classification Comprehensive Colleges and Universities category 1 (274 institutions). (Note: For the analysis in this discussion paper data was obtained on 269 institutions.)
  - The comparison group for the Washington community college system used in this discussion draft was all public community and technical colleges in six western states (Oregon, California, Arizona, Colorado, Idaho and Nevada) for which finance and student data could be obtained (136 institutions).

TAB 1

Master Plan 2004: Higher education funding discussion paper

WASHINGTON HIGHER EDUCATION COORDINATING BOARD

Introduction

Master Plan development process

- Discussion papers
  - Higher education funding – Oct 2002
  - New revenue options – Dec 2002
  - Enrollment access and opportunity – Dec 2002
  - Tuition and financial aid – Jan 2003
  - Branch campus issues – March 2003
  - College admissions & transfer issues – April/May 2003

Discussion on higher education funding

- Review of public higher education:
  - Enrollment trends and outlook
  - State funding trends and policies
  - Tuition trends
  - Financial aid policies

These trends are:

- Public higher education institutions are currently over-enrolled
- Demographic pressure will continue for new enrollments
- State funding for institutions per student declined in the 1990s
- State funding per student is significantly below what occurs at comparable institutions in other states

Trends continued:

- Increases in tuition have been significant
- The cost of public higher education is being transferred from the state to students and families
- The goals for financial aid are not being met

Enrollments

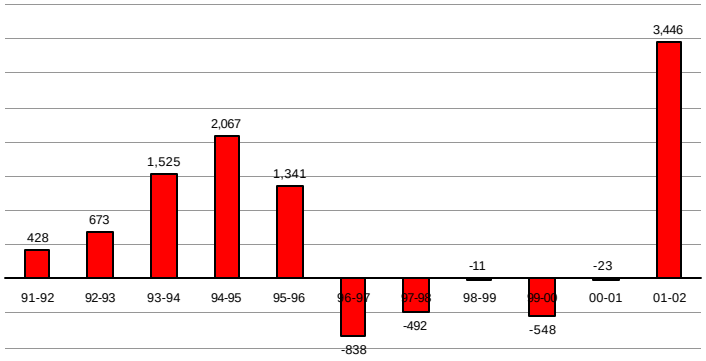
Actual 2001-02 enrollments at public institutions exceeded budgeted enrollments in 2001-02 and 2002-03

Public Higher Education Enrollments FTE Students			
	CTC	4-Year	Total
2001-02 Budgeted	125,082	84,523	209,605
2001-02 Actual	133,962	87,969	221,931
Variance	+8,880	+3,446	+12,326
2002-03 Budgeted	128,222	85,290	213,512
Difference from 2001-02 Actual	(5,740)	(2,679)	(8,419)

Source: OFM

After several years of being on target or under-enrolled, the public 4-year system was over-enrolled more than ever in 2001-02

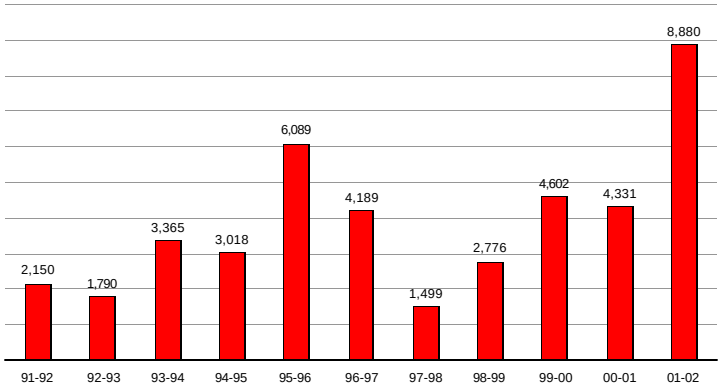
Public 4-Year System
FTE Enrollment Variance
Actual Compared to Budgeted



Source: OFM

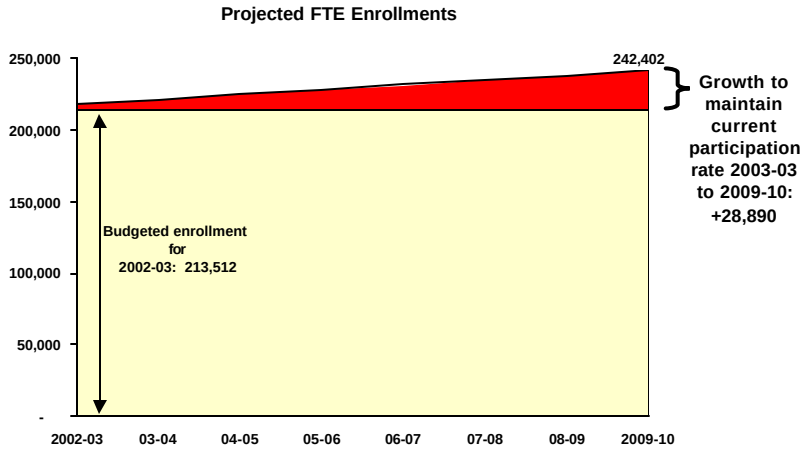
In 2001-02 the public 2-year system had its highest level of over-enrollment since 1980-81

Community and Technical College System
FTE Enrollment Variance
Actual Compared to Budgeted



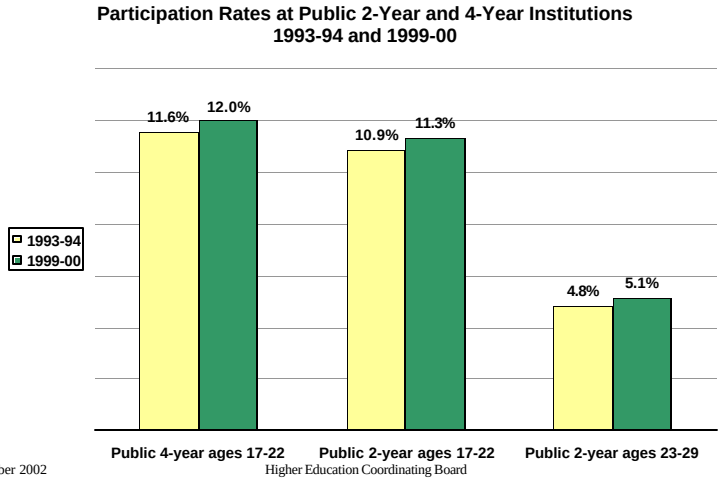
Source: OFM

To maintain the 2000 public higher education participation rates would require almost 29,000 more enrollment slots by 2010



Source: OFM

But is maintaining the participation rate sufficient? During the 1990s the participation rate at public higher education institutions increased



Source: OFM

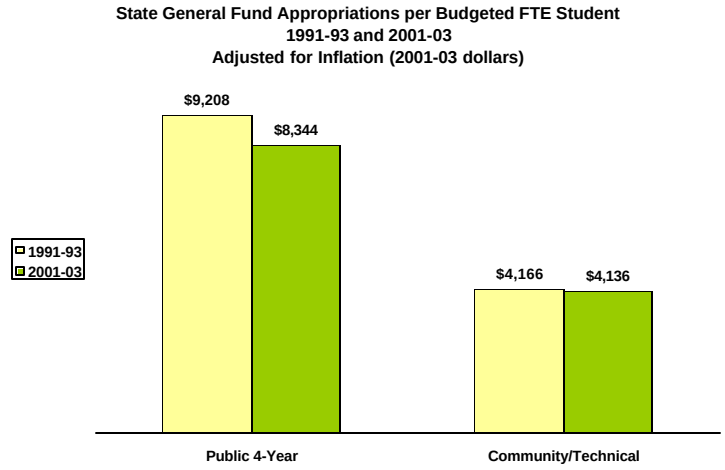
Per student funding

The two primary funding sources for public higher education instructional costs are:

1. Governmental appropriations directly to the institutions
2. Tuition from students

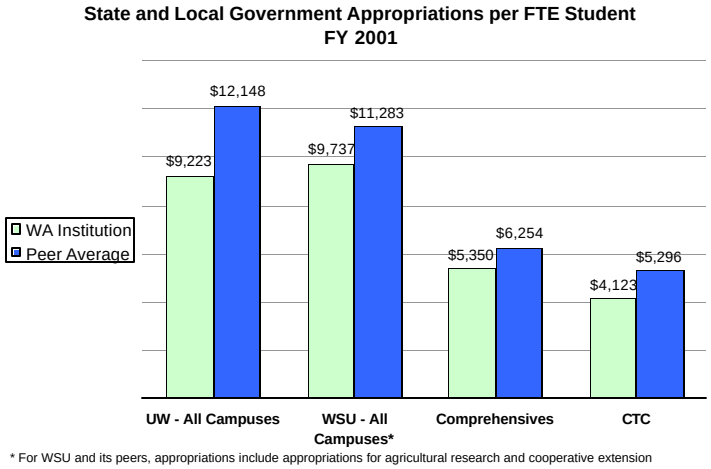
   Tuition (all or part) can be paid either directly by a student or, for a qualifying student, can be paid by financial aid

Over 10 years state appropriations per student have declined 9% at the public 4-year institutions and have stayed flat at the community and technical colleges



Source: LEAP

State and local government funding per student in Washington is less than at comparable institutions in other states



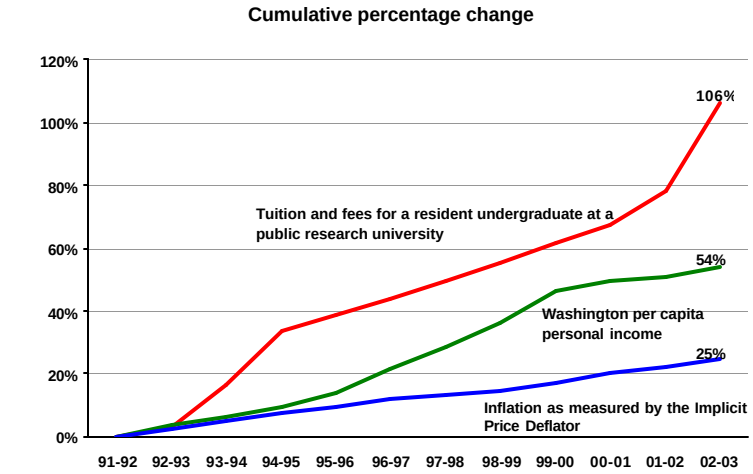
* For WSU and its peers, appropriations include appropriations for agricultural research and cooperative extension

Funding goals

- 1987 Master Plan
  - "achieve a system of higher education that is one of the five best in the nation"
  - Fund institutions in Washington at least at the average per student support of their comparable institutions (to be phased-in over 3 biennia)
- 1988
  - New funding goal to achieve the 75th percentile of the comparable institutions (over 4 biennia)
- Proposed 2003-05
  - Increase per-student state funding to the level of comparable institutions in other states

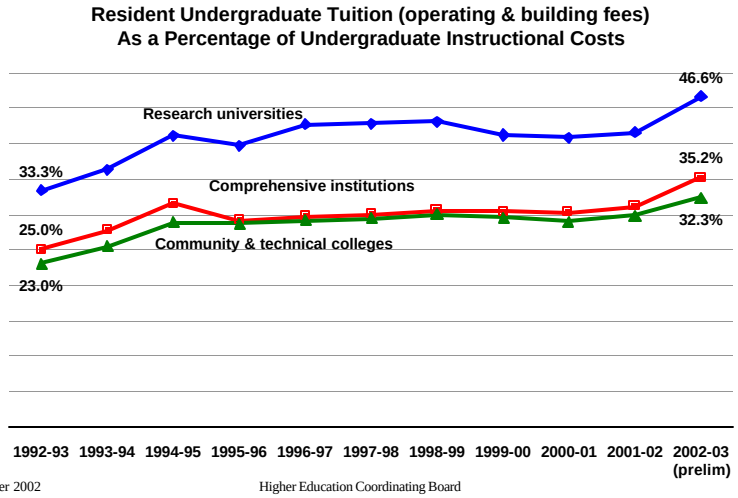
Tuition

Increases in tuition ("sticker price") have outpaced per capita income and inflation since 1991-92



Sources: HECB and Office of the Forecast Council

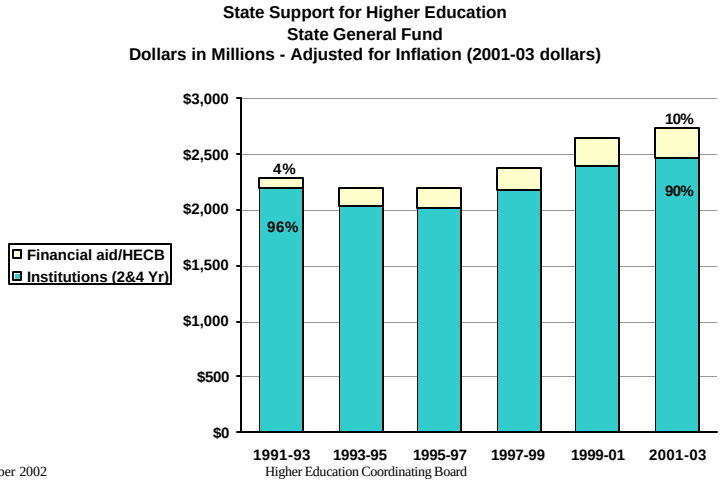
Tuition is paying for an increasing share of the cost of public higher education instruction



Source: HECB

Financial aid

The share of the higher education budget going for financial aid has increased from 4% in 1991-93 to 10% in 2001-03



Source: LEAP

State need grant

- HECB goals:
  - Assist needy students with incomes up to 65% of the state's median family income ($41,500 for a family of 4)
  - With awards equal to tuition in the public sectors
- 2002-03
  - Assist needy students with incomes up to 55% of MFI ($35,000 for a family of 4)
  - Award equal to 84% of tuition at research universities; 88% at comprehensive institutions; and 96% at CTCs

Promise scholarship

- Maximum award authorized in state law is equal to tuition at a CTC
- 2002-03 the prorated maximum award is $948 or 48% of the current CTC tuition

Conclusions

- Enrollment slots at the public higher education institutions need to be increased
- State funding per-student has suffered in the 1990s and is below that of comparable institutions in other states
- Past tuition increases have been significant
- The goals for financial aid are not being met